

**MINUTES
AUDIT SUBCOMMITTEE
OF THE
LEGISLATIVE MANAGEMENT COMMITTEE**

The Audit Subcommittee of the Legislative Management Committee met in Room 250, State Capitol Building, Salt Lake City, Ut, Tuesday, June 19, 2012 from 4:20 p.m until 5:15 p.m.

Committee Members Present: President Michael Waddoups, Co-Chairman
Speaker Rebecca Lockhart, Co-Chairman
Excused Senator Ross Romero
Representative David Litvack

Legislative Audit Staff: John Schaff, Auditor General
Rick Coleman, Deputy Auditor General
Tim Osterstock, Audit Manager
Darin Underwood, Audit Manager
Lynda Maynard, Recording Secretary
Wayne Kidd, Audit Supervisor
Kade Minchey, Audit Supervisor
Tim Bereece, Legis Lead Auditor
Candace Ware, Sr Perf Auditor
Matthew Harvey, Perf Auditor
David Gibson, Leg IT Auditor
Jake Dinsdale, Perf Auditor
Karleen Watson, Perf Auditor
Chris McClelland, Perf Auditor
Michael Allred, Perf Auditor

Other Interested Parties: Kristen Cox, Exec Director, Dept of Workforce Services
Michael Hales, Deputy Dir., Div of Medicaid, DOH
Jeff Nelson, DOH
Geoffrey Landward, Chief Legal Counsel, DWS
Lorie Davis, Executive Asst., DWS
Joseph Demma, Director, Communications, DWS
Lincoln Nehring, Voices for Utah Children
Clifford Strachan, Budget Analyst, GOPB
John Fellows, Assoc General Counsel, LRGC
Christy Cushing, UPEA
Joyce Dolcourt, LCPD
Kristin Stewart, *SL Tribune*
And Others as Listed

1. Call to Order

Speaker Lockhart called the meeting to order at 4:20 p.m.

2. Approval of Minutes

Motion: President Waddoups made a motion that the minutes from January 26, 2012, Audit Subcommittee meeting be approved. The motion passed unanimously.

3. A Performance Audit of Medicaid Eligibility

(Report #2012-07)

Presented by Wayne Kidd, Audit Supervisor

Discussion following Presentation

Michael Hales, Deputy Director, Division of Medicaid, Department of Health (DOH), in response to a question from President Waddoups, said that technically, the Division of Medicaid cannot force doctors to return overpayments even though they do send letters of notice to the clients indicating that an overpayment or ineligible benefit payment had occurred.

Mr. Hales addressed the recommendations directed to the Department of Health:

- Policies created by the DOH, their impact and the calculation of agency errors—There are certain circumstances when DOH does not have control over how the errors are calculated but with agency errors DOH does have the ability to determine how far they go back.
- Medicaid Eligibility Card— Primary consideration is assuring providers that the client receiving benefits is eligible for Medicaid on that particular date of service. There are also utilization controls—not all of which can fit on a plastic eligibility card but could possible be handled by a “smart card”, or electronic card.

Kristen Cox, Executive Director, Department of Workforce Services (DWS), told the Audit Subcommittee that DWS appreciated the professionalism of the audit team and then addressed her remarks first to the multiple unique identification numbers, referred to as PIDs, and then to DWS' overall accuracy.

Ms Cox said that PIDs is an important issue that DWS has been working on for awhile. DWS is doing all they can until the Federal guidelines improve. With DWS' new automated myCase System the methodology for searching and identifying existing PIDs has changed by adding new requirements and DWS is making progress.

Ms Cox indicated that DWS has taken steps to improve overall accuracy by tracking individual worker initiatives and case review changes and making improvements in their quality of work by editing some of their cases before the benefits are issued and addressing the turn-around time of their cases.

Ms Cox concluded by saying they concur with the overpayment calculation and will work with the Department of Health to address this problem.

Motion: President Waddoups made a motion that the **Performance Audit of Medicaid Eligibility** be referred to the Economic Development and Workforce Services Interim Committee and the Health and Human Services Interim Committee. The motion passed unanimously.

4. New Audit Requests

President Waddoups led a discussion concerning approval of current and past audit requests.

Motion: President Waddoups made a motion that the requests for an In-Depth Budget Review of the Utah Department of Corrections be approved and moved to "Future Audits". The motion passed unanimously.

Motion: President Waddoups made a motion that the requests for the following audits be approved and moved to "Future Audits":

- Higher Education & ATC Leased Facilities
- Governance of Utah's Conservation Districts
- Dixie State College's Use of State TV Truck for Private Purposes
- Revenue Bond Funding Sources
- Abusive Workplace Environments, and
- Utah Labor Commission Hearing Process and Procedures. The motion passed unanimously.

Motion: President Waddoups made a motion that the Auditor General complete the audit on Utah's Radioactive Waste Facility Tax and the audit dealing with the sufficiency and accuracy of regulatory oversight provided by the Division of Radiation Control by September 1, 2012. As part of the Radioactive Waste audit, the Auditor General should include in the report the revenues generated by individual companies which the State of Utah received from the Radioactive Waste Facility Tax and other financial data associated with that tax. The motion passed unanimously.

5. Adjournment

Speaker Lockhart adjourned the meeting at 5:15 p.m.